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VIA AIR

DISPATCH NO. EGGA-945

TO : Chief of Station, Vienna

DATE 9 May 1958

FROM : Chief of Base, Hamburg

Info: COS, EE

GENERAL - Operational/CAHELM

SUBJECT: SPECIFIC - Case Officer Relationship with CAHELM

Reference: EGGA-943, 8 May 1958 *A.P.*

ACTION REQUIRED: See Paragraph 4.

1. The CAHELM operation is progressing pretty much along the lines worked out with [] during his weekend visit here in March 1958. [] received a warm thank-you note from CAHELM about a week after the introductory dinner at [] apartment. CAHELM repeated his offer to get together with [] and of course had many fine things to say about [] and CAHELM have met for short discussions three times over drinks, and spent one Sunday with the wives and kiddies on the shore of a North German lake. A pleasant, easy social relationship has been established, with no signs of stiffness or reserve on the part of CAHELM and his wife, and they appear to be genuinely interested in the social contact with Vedder and spouse.

2. The operational relationship has developed very fast. At the end of the first meeting on 9 April, CAHELM offered to lend [] his file on a target group of interest to [] and did so two weeks later. He also made an offer, which we accepted, to make a trip in connection with the target group if we were interested. He agreed to accept payment for his hotel bill and gasoline expenses, but said he would consider other expenses his own. He has not mentioned his covert employer and we have not asked any leading questions on this subject. We are consciously avoiding anything smacking of a direct recruitment pitch and feel that his operational cooperation can be developed further on the basis of the social relationship, with no need for formal recruitment.

3. From some of CAHELM's remarks we suspect that he did considerable soul-searching before passing his reports to us. At the time he gave

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his file to [redacted]. He did so with some obvious hesitation and commented that he had "mixed feelings" about it and was not quite sure he was doing the right thing. At a later meeting at [redacted] apartment, he indicated that he was inclined to doubt that his introduction to [redacted] was an accident, and then went on to say that he could appreciate [redacted] wish to have him help a professional colleague. [redacted] avoided CAHELM's leading remarks as much as possible, commenting only that [redacted] had indicated that CAHELM was very knowledgeable on local political affairs in Hamburg. CAHELM did not make these remarks in a critical manner, and if anything it appears that he has thought through the question of cooperating with [redacted] and has accepted it as the right thing. It is worth noting that within two weeks after passing his file to [redacted] with much hemming and hawing, he passed on two more reports with the comment that [redacted] should add them to the file and return them at a convenient time. The offer to make the trip on our behalf, which was his own suggestion, is another solid indication that he has accepted the relationship with [redacted] on the basis suggested to him by [redacted].

4. The [redacted] family naturally becomes the topic of conversation occasionally when CAHELM and [redacted] get together. [redacted] has so far been able to hold up his end of the conversation but it is a pretty thin effort. If it is convenient for [redacted], [redacted] would like to visit him in Vienna sometime at the end of May or early June, preferably over a weekend. Would you please advise us if this is convenient and set a date.

Distribution:

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P.S. Re Paragraphs 2 and 3. It should be remembered that the assistance asked for by us and the information which has been provided by CAHELM is not against German interests. Generally it covers a field where American and German interests are compatible. In our opinion, his actions involve little if any moral conflict nor do they touch the primary interests of his covert employer.

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